Request for City Council Committee Action

Date: September 9, 2002

To: Ways and Means Committee

Prepared by: William Beck   _____
                                  Richard Smith   _____
                                  Merwyn Larson   _____

Submitted by: Karl Kaiser   _____
                                  Patrick Born   _____

Approved for Submittal: John Moir   _____

Subject: Appropriation Request to Close SISP Program

Presenters in Committee: Karl Kaiser & Bill Beck

Recommendation:

That the City Council approve the Information & Technology Services appropriation request for funding to complete the Engineering 2000 and BIIS-Remote Inspector projects and reconcile the five year, $66 million Capital Strategic Information Systems Program (SISP) capital project which ended in December 2001.

Engineering 2000 (4100-972-9725)	$2,944,000
BIIS-Remote Inspector (4100-972-9725)	$ 740,000
Total Appropriation Request	$3,684,000

The following recommended funding plan would cover the appropriation request through Departmental Operating budgets and a Bond Sale in 2003.

Public Works Operating Budget (2002)	$ 700,000
Regulatory Services & Operations (2002-2006)	$ 520,000
General Fund (Bond Sale in 2003)	$2,464,000
	$3,684,000

The City has invested $3.8 million in these Enterprise projects over the past three years and both the Engineering 2000 and BIIS-Remote Inspector projects are in the final phases of implementation. Failure to approve this appropriation will result in the immediate termination of both projects.

This is a request for additional funding.

Financial Impact (Check those that apply)

___ No financial impact (If checked, go directly to Background/Supporting Information

 X Action requires an appropriation increase to the Capital Budget
   $3,684,000 - 4100-972-9725-5070

 X Action requires an appropriation increase to the Operating Budget
   $175,000- 7400-690-6905-5070
   $210,000- 7300-630-6370-5070
   $35,000-7500-685-6895-5070
   $35,000-7700-664-6660-5070

 X Action provides increased revenue for appropriation increase
   $1,220,000 - 4100-972-9725-3381

___ Action requires use of contingency or reserves

 X Other financial impact (Explain): Decrease in 2002 operating expense budget.
   ($210,000) - 4100-600-6025-5070

 X Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information

This appropriation request reflects the cost-to-complete and associated funding plan for the BIIS-Remote Inspector and Engineering 2000 projects. These two in-flight Enterprise SISP funded projects, scheduled to be completed in 2002 and 2003, were left unfunded because of the termination of the five year, $66 million SISP program in December of 2001. In the process of reconciling the SISP project costs to close the SISP capital program, Finance established that there was not enough money left in the 2001 SISP appropriation to complete these projects. Subsequent meetings with Public Works, ITS, Inspections and Finance verified that the cost-to-complete these projects and close out of the SISP Capital Program is $3,684,000.

In developing the 2001 SISP budget for the Engineering 2000 program, ITS under-estimated the cost of unexpected delays as a result of changing prime contractors (Intergraph to Bentley) in the second quarter of 2001, the scope of the effort required to complete engineering data conversion and the implementation of the integrated GIS-Engineering 2000, enterprise data management infrastructure. The resulting cost-to-complete the Engineering 2000 project is $2,944,000. Engineering 2000 project completion in now expected to occur in the first half of 2003.

The BIIS-Remote Inspector project was behind schedule and under-spent at the end of 2001 because of delays in receiving a new version of Kiva from the software vendor. The BIIS-Remote Inspector budget surplus was partially reallocated by ITS to cover overages in other projects during the reconciliation exercise to close the SISP capital program. The resulting cost-to-complete the BIIS-Remote Inspector project in 2002 is $740,000.